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TAGS: [ECON](#) [KCOR](#) [ID](#)
SUBJECT: FORMER MINISTER DETAINED ON CORRUPTION CHARGES

REF: A. JAKARTA 12254

[B](#). JAKARTA 4520
[C](#). JAKARTA 3490
[D](#). JAKARTA 1652

Classified By: POLITICAL OFFICER KEITH BEAN FOR REASONS 1.4 (b) and (d)

[1](#). (U) Former Minister of Oceans and Fisheries Rokhmin Dahuri was detained on November 30 in conjunction with a Commission for the Eradication of Corruption (KPK) investigation into his administration of an off-budget fund of nearly IDR 32 billion (approximately USD 3.5 million). The fund allegedly was used in part for his own benefit, according to press reports. In addition to this on-going case, four high level corruption cases in Indonesia this year resulted in convictions. Dahuri's arrest comes amid indications that public confidence in the KPK may be waning even as Vice President Kalla and other GOI officials accuse the KPK of going too far. End Summary.

[2](#). (C) Former Minister Dahuri's arrest follows the arrest of the former Secretary General of the Oceans and Fisheries Ministry, Andin H. Taryoto, after the KPK found evidence that Dahuri had ordered Taryoto to collect the off-budget funds. According to media accounts of the investigations, the slush fund was allegedly created between April 2002 and March 2005 and was partially financed by diverting one percent of the ministry's budget for implementing projects in Indonesia's provinces. The fund was allegedly topped off with donations from external sources. Press reports name Tomy Winata, a wealthy crony of former President Soeharto with ties to a number of illicit businesses, as one source of external funding. The KPK reportedly questioned him about contributions he allegedly made to secure licensing for a fishing company. Winata publicly denied any involvement, saying his fishing company did not exist at the time of the alleged contributions.

[3](#). (U) In February, former Minister of Religion Said Agil Hussein Al Munawar and former Director General for Islamic Guidance and Hajj Affairs Taufiq Kamil were convicted of embezzling nearly USD 71 million in funds earmarked for Indonesians performing the Hajj. (Ref A). In August, the Anti-corruption Court sentenced former Investment Coordinating Board Chairman Theo F. Toemion to six years' imprisonment, fined him, and ordered him to pay USD 2.5 million in restitution for misappropriating state funds earmarked for investment campaigns. (Ref B). In September, former KPU Commissioner Daan Dimara was convicted of corruption and sentenced to four years in prison for his role in rigging procurement contracts for the 2004 general elections. Of these high-profile cases, only the Daan Dimara case was prosecuted by the KPK. The others were brought forward by the Attorney General's Office and the Inter-Agency Corruption Eradication Team.

[4](#). (U) While Dahuri claims that the off-budget fund was

administered for the benefit of the ministry and its personnel, he is accused of tapping the funds for his personal benefit. Press reports allege that the fund was used to pay Dahuri an IDR 356 million (USD 40,000) honorarium for delivering a lecture at the Agricultural Institute of Bogor (AIB), despite the fact that AIB reportedly only provides an IDR 3 million (USD 330) honorarium for such speeches.

15. (C) The Dahuri case targets the widespread, but illegal, practice of co-mingling state and private funds to create off-budget slush funds for use by ministers and other high government officials. Off-budget funds were common until recently, but the 2002 State Treasury Law outlawed the practice by requiring all state funds to pass through the Treasury. Despite this, Ministry of Finance implementation of this law has proceeded slowly, and off-budget funds continue to exist and have been tolerated. Because the Dahuri case targets this widespread form of corruption, a prosecution and conviction could reinvigorate the KPK drive to tackle official corruption and serve notice that his aspect of business as usual will no longer be tolerated.

16. (C) Opponents from the Indonesian Democratic Party Struggle (PDI-P) have criticized the KPK for pursuing a political agenda, noting that all of the investigations have targeted former ministers from PDI-P, while ignoring allies of President Yudhoyono. The KPK denies these accusations, citing as evidence to the contrary its prosecution of provincial governors in East Kalimantan and Sulawesi Tenggara who are members of the Golkar party, a partner in SBY's coalition government. Vice President Jusuf Kalla, also the Golkar party chairman, publicly denied that the KPK is targeting former ministers from President Megawati's government.

17. (SBU) To counter a perception of waning relevance, the KPK launched a campaign to focus public attention on its anti-corruption fight, using the slogan, "Look Fight, and Report." The goal of the campaign is not clear. According to the KPK, the public has referred over 16,000 cases of suspected corruption to the KPK since 2003. According to media accounts, KPK Deputy Chairman Erry Riyana Hadjapemekas admitted that the campaign has no quantitative goals to increase public referrals.

18. (C) Indonesian Corruption Watch's Teten Masduki told us that the KPK's record of 14 convictions and a number of other current prosecutions is commendable. He noted that each conviction has resulted in a heavy sentence, and observed that appeals have been met with even heavier sentences. Still, Masduki told us he believed the KPK has chosen easy, high profile targets in which third parties have handed the KPK well-substantiated cases on a silver platter. In Masduki's opinion, the KPK has had little deterrent effect and has not taken on any difficult or highly sensitive cases. The lack of aggressive action in rooting out corruption prompted noted Indonesian human rights lawyer Todung Mulya Lubis to observe that "time is running out for the KPK to take a more aggressive approach or risk becoming irrelevant in the public mind."

19. (SBU) Though many anti-corruption campaigners accuse the KPK of not doing enough, the KPK has at the same time been compelled to allay concerns on the part of Vice President Kalla and others that the anti-corruption drive may be going too far. Kalla said the anti-corruption drive has interfered with normal government business, alleging that many government officials are deterred from making once-routine financial decisions for fear of being charged with corruption if the contracts prove damaging to the state budget. Kalla has called for greater oversight.

COMMENT

10. (C) The KPK has been cautious in using its mandate to root out corruption. As a new institution, its deliberate

approach is not surprising. The KPK must navigate between
doing too little or too much. End Comment.
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